

## Message Text

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ACTION NEA-13

INFO OCT-01 ISO-00 EB-11 AID-20 INR-10 DRC-01 RSC-01 SCI-06

EUR-25 L-03 /091 W

----- 012475

R 130736Z FEB 74

FM AMEMBASSY KUWAIT

TO USDOC WASHDC

INFO SECSTATE WASHDC 8767

AMEMBASSY ABU DHABI

AMEMBASSY BEIRUT

AMEMBASSY JIDDA

AMEMBASSY TEHRAN

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BEIRUT FOR LEFEAVER

EO 11652: NA

TAGS: BMEP EAGR EIND ENRG KU

SUBJ: SYNTHETIC FOOD FACTORY: PETROPROTEINS

REF: A) KUWAIT 4477; B) USDOC 0185; C) KUWAIT 0214; D) USDOC 2156

SUMMARY: SOME OF PROJECT'S DIRECTORS MET WITH ATIQUI TO GAUGE AVAILABILITY GAS FOR SUBJECT PROJECT. ATIQUI PROMISED ANSWER IN THREE MONTHS AND ALLEGEDLY GAVE COMMITMENT FOR REGULAR SUPPLY PETROLEUM IF GAS PROVES UNAVAILABLE. NAFISI NOW WANTS PROJECT FEASIBILITY STUDY IN ORDER TO WIN GOK LICENSE AND REQUESTS ANY INTERESTED COMPANIES SUBMIT SUCH STUDIES TO HIM IF THEY WISH BE CONSIDERED FOR PROJECT. COMMERCE SHOULD INFORM PROVESTARS AND CELANESE OF SITUATION. WE DO NOT BELIEVE NAFISI IS YET SERIOUSLY NEGOTIATING WITH ANYONE FOR REQUIRED TECHNOLOGY. END SUMMARY

1. EMBOFF MET WITH NAFISI FEB 11 RE PROVESTAR'S INTEREST (REF D) AND SUBJECT PROJECT'S PRESENT STATUS.

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2. NAFISI SAID HE AND SHAIKH NASSER, SON OF FONMIN, HAD RECENTLY

MET WITH FINANCE AND OIL MIN ATIQI TO DISCUSS PROJECT FEASIBILITY AND AVAILABILITY GAS. ATIQI TOLD THEM STUDY WAS PRESENTLY UNDERWAY TO ASSESS COUNTRY'S GAS RESERVES AGAINST PROJECTED DOMESTIC NEEDS (E.G. STEEL MILL) AND EXPORT REQUIREMENTS (E.G. LPG FACILITY). HE PROMISED THEM ANSWER WITHIN THREE MONTHS, PENDING STUDY'S OUTCOME, AND INDICATED WILLINGNESS IN PRINCIPLE TO APPROVE ANY CRUDE NECESSARY FOR PROJECT AT LESS THAN MARKET PRICE IN EVENT GAS UNAVAILABLE AND PROJECT WINS LICENSE FROM GOK.

3. NAFISI NOW SEEMS PREOCCUPIED WITH WINNING GOK APPROVAL FOR PROJECT AND ADMITTED HE HAD CONTACTED NEITHER PROVESTAR'S NOR CELANESE, AS HE PREVIOUSLY AGREED TO DO. MOREOVER, HE HAS BEEN CONTACTED BY SEVERAL FRENCH AND ITALIAN COMPANIES AMONG OTHERS REGARDING PROJECT AND SAYS HE INTENDS TO ASK ALL INTERESTED FIRMS TO SUBMIT FEASIBILITY STUDIES ON GAS-BASED PROCESS WHICH NECESSARY FOR AWARD PROJECT LICENSE FROM GOK.

4. NAFISI REQUESTED PROVESTAR'S SUBMIT SUCH A STUDY TO HIM IF INTERESTED IN PROJECT. HOWEVER, WHEN QUERIED ABOUT "THE PAYOFF" FOR SUCH WORK, HE COUNTERED THAT IT NECESSARY STEP FOR COMPANY WISHING TO RECEIVE ANY FURTHER CONSIDERATION. HE MADE IT CLEAR HE NOT RPT NOT INTERESTED IN MEETING COMPANY REPS AT THIS TIME OR EXCHANGING TELEX MESSAGES BUT WOULD WELCOME LETTER FROM PROVESTAR'S AND OTHER INTERESTED COMPANIES OUTLINING THEIR CAPABILITIES AND EXPERIENCE. SHOULD BE NOTED, HOWEVER, THAT NAFISI WILL BE OUT OF KUWAIT FROM FEB 15 TO MARCH 1.

5. REQUEST COMMERCE APPRISE MALICK AND CELANESE OF GENERAL SUBSTANCE NAFISI'S REMARKS AND INFORM EMBASSY THEIR REACTIONS.

6. COMMENT: WHILE THERE LITTLE DOUBT NAFISI EL AL SERIOUS ABOUT THIS PROJECT, APPROVAL MAY BE DELAYED OR HAMPERED BY DIFFICULTY IN PROJECTING KUWAIT'S FUTURE GAS REQUIREMENTS IN LIGHT OF SUBSTANTIAL NUMBER OF AMBITIOUS INDUSTRIAL SCHEMES REQUIRING GAS UTILIZATION PUT FORWARD BY COMPETING GROUPS. LUMMUS INTERESTED IN DOING PLANT'S ENGINEERING AND CONSTRUCTION IF, AND WHEN, PROJECT APPROVED AND LLMMUS MIGHT BE INTERESTED IN COLLABORATING WITH COMPANY POSSESSING NECESSARY TECHNOLOGY. LIMITED OFFICIAL USE

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OVERALL BELIEVE NAFISI'S SEEMING INDIFFERENCE TOWARDS CONTACTING MALICK NOT ATTRIBUTABLE TO ANY OTHER FOREIGN COMPANY HAVING BEEN SELECTED BUT RATHER DUE HIS PRESENT TIGHT SCHEDULE AND NEED TO WITH GOK APPROVAL PRIOR MAKING OTHER BASIC DECISIONS. MCCLELLAND

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 13 FEB 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** MorefiRH  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974KUWAIT00585  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
**From:** KUWAIT  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Legacy Key:** link1974/newtext/t19740236/aaaabhrx.tel  
**Line Count:** 112  
**Locator:** TEXT ON-LINE  
**Office:** ACTION NEA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** A) KUWAIT 4477; B) USDOC 0185; C) KU, WAIT 0214; D) USDOC 2156  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** MorefiRH  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 21 AUG 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <21 AUG 2002 by kellew0>; APPROVED <04-Sep-2002 by MorefiRH>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** SYNTHETIC FOOD FACTORY: PETROPROTEINS  
**TAGS:** BEXP, KU  
**To:** COM  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005